

## Message Text

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ORIGIN ARA-06

INFO OCT-01 ISO-00 /007 R

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DRAFTED BY ARA/LA:PJDE VOS:MJT

12/6/74 EXT. 29226

APPROVED BY ARA/LA:PJDE VOS

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FM SECSTATE WASHDC

TO AMEMBASSY LIMA IMMEDIATE

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FOR ASSISTANT SECRETARY WILLIAM D. ROGERS

FOLLOWING MESSAGE SENT SECSTATE WASHDC INFO GUATEMALA MANAGUA  
MEXICO PANAMA SAN JOSE SAN SALVADOR TEGUCIGALPA FROM CARACAS  
05 DEC 74:

QUOTE LIMITED OFFICIAL USE CARACAS 12026

E.O. 11652: N/A

TAGS: PFOR OCON VE XK

SUBJECT: MEETING OF VENEZUELAN AND CENTRAL AMERICAN PRESIDENTS  
DECEMBER 13-14

REF: (A) STATE 265850; (B) SAN SALVADOR 4772; (C) SAN JOSE 4561

1. IN CONVERSATION WITH EMBASSY OFFICER DECEMBER 4, JULIO GIL,  
ADVISOR TO MINISTER OF STATE FOR INTERNATIONAL ECONOMIC AFFAIRS,  
CONFIRMED THAT THE AGENDA FOR THE MEETING OF PRESIDENT PEREZ WITH  
PRESIDENTS OF THE CENTRAL AMERICAN STATES WILL INCLUDE THE FOLLOWING  
ITEMS:

(A) DISCUSSION OF THE IMPACT OF THE INCREASE OF PETROLEUM PRICES  
ON CENTRAL AMERICAN ECONOMIES.

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(B) AGREEMENT OF VENEZUELA TO FINANCE CENTRAL AMERICAN COFFEE

STOCKS ANNOUNCED LAST MONTH.

(C) COORDINATION OF ASSISTANCE TO HONDURAS IN RECOVERING FROM THE EFFECTS OF HURRICANE FIFI.

(D) DISCUSSION OF BILATERAL PROJECTS BETWEEN VENEZUELA AND CENTRAL AMERICAN STATES.

(E) VENEZUELAN FINANCIAL ASSISTANCE TO THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI).

CENTRAL AMERICAN MINISTERS RESPONSIBLE FOR ECONOMIC AFFAIRS ARE EXPECTED TO ARRIVE IN VENEZUELA LATER THIS WEEK TO COORDINATE PREPARATIONS WITH VENEZUELAN OFFICIALS AND RETURN TO THEIR CAPITALS ON DECEMBER 7. THE CONFERENCE OF PRESIDENTS WILL TAKE PLACE IN CIUDAD GUAYANA.

2. GIL CONFIRMED THAT VENEZUELA WILL PROVIDE AS MUCH AS APPROXIMATELY \$80 MILLION FOR FINANCING CENTRAL AMERICAN COFFEE STOCKS IN COOPERATION WITH COLOMBIA AND MEXICO. HE SAID THAT INTEREST RATES AND OTHER DETAILS ARE STILL TO BE DETERMINED. FINANCING WILL TAKE PLACE THROUGH GOVERNMENT-TO-GOVERNMENT LOANS TO THE COUNTRIES INVOLVED.

3. WITH REFERENCE TO ITEM "A" ABOVE, GIL ACKNOWLEDGED THAT VENEZUELA AS THE PRINCIPAL SUPPLIER OF PETROLEUM PRODUCTS TO CENTRAL AMERICA (EXCEPT PANAMA) HAS A RESPONSIBILITY FOR ASSISTING THE COUNTRIES IN OFFSETTING THE SERIOUS IMPACT THAT INCREASED PETROLEUM PRICES HAS HAD ON THEIR ECONOMIES. HE IMPLIED THAT VENEZUELAN ASSISTANCE MIGHT CONSIST OF SOME FORM OF BALANCE OF PAYMENTS RELIEF.

4. WITH RESPECT TO ITEM "D", GIL MENTIONED A PROJECT FOR A PETROLEUM REFINERY IN COSTA RICA AND LOANS TO HONDURAS TO FINANCE AGRICULTURAL PROJECTS AND A PULP AND PAPER MILL. THE REFINERY PROJECT IN CENTRAL AMERICA WOULD SERVE THE ENTIRE CENTRAL AMERICAN MARKET AND HAVE SOME SUPPLUS FOR EXPORT TO OTHER COUNTRIES. GIL EXPRESSED SOME DOUBT, HOWEVER, THAT COUNTRIES SUCH AS GUATEMALA, WHICH CONTEMPLATES ITS OWN PETROLEUM PRODUCTION, WOULD BE VERY INTERESTED IN THE PROJECT.

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5. THE PROPOSED LOAN TO CABEI (ITEM "E") WOULD AMOUNT TO \$40 MILLION. MCCLINTOCK UNQUOTE KISSINER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, CHIEFS OF STATE MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE268007  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** PJDE VOS:MJT  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740354-0903  
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**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** (A) STATE 265850; (B) SAN SALVADOR 4, 772; (C) SAN JOSE 4561  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 SEP 2002 by elyme>; APPROVED <13 MAR 2003 by izenbei0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MEETING OF VENEZUELAN AND CENTRAL AMERICAN PRESIDENTS DECEMBER 13-14  
**TAGS:** PFOR, OCON, VE, XK  
**To:** LIMA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005